

**From:** Tom Chance  
**To:** Housebuilding  
**Subject:** MIR proposal  
**Date:** 07 September 2023

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Dear Sir/Madam,

I am writing in support of your market investigation reference proposal set out in your study update report. None of the below is confidential.

I represent a network of 356 Community Land Trusts, which are in the business of buying land and developing it for community benefit. They represent a small but growing segment of the SME market, and one that the government supports - reiterated in a speech given by the Secretary of State for Levelling Up, Housing and Communities on the 24th July in which he stated an aim of "scaling up the role of community land trusts and also making more resource available to support custom and self-built homes."

We have long argued that there are competition issues in the land and housebuilding markets that make it exceptionally difficult for new entrants and SMEs. In this we share the view with the National Custom and Self Build Association, the Federation of Master Builders and the National Federation of Builders. The lack of transparency in the land market, the extensive use of private option agreements and land banks generally, the increasing focus by planning authorities on the allocation of large sites which in the UK - unlike other advanced markets - tend to then be banked and built out by one or two master developers, and the market power of a small number of large housebuilders, all crowd out opportunities for SMEs.

Our membership represents a market demand for different types of housing - in terms of ownership, tenure, design and quality - which is not being met by the market at present. But the above market dysfunctions mean they have had to focus on small and economically marginal sites of no interest to the major housebuilders.

These problems have been recognised by the government for some time, notably in its 2017 white paper 'Fixing our broken housing market'.

Our members are also, in some cases, engaged in - or seeking to be engaged in - the development of sites where the local authority will not adopt public amenities.

We endorse your findings that the creation of private management companies (and the frustration of transfer to resident control in some cases) confers too much market power on these companies; provides little or no transparency, accountability and means of redress to consumers; and risks assets being built to low standards and then not properly maintained (as argued by Prof Susan Bright in her paper 'Far from Privatopia').

The National Planning Policy Framework requires that strategic policy-making authorities should work 'with the support of their communities' and 'set clear expectations for the quality of the places to be created and how this can be maintained (such as by following Garden City principles)'. Homes England's Garden Communities Toolkit also references these principles. The Garden City Principles include 'community ownership of land and long-term stewardship of assets.' The TCPA elaborates that creating good places 'means empowering people to have a say on how their homes and neighbourhoods are created and managed, providing opportunities for active citizenship' which is achieved in part through community ownership and stewardship.

But the loose legislative framework you have identified, coupled with the lack of clarity in the planning framework as to what these principles are and how they should be enacted, mean that these principles are widely ignored in favour of unaccountable private management arrangements.

Community Land Trusts are akin to Resident Management Companies in providing a legal structure for the ownership and management of public amenities that is owned by and accountable to consumers. We have argued that legislation and policy should ensure these sorts of arrangements are the default, and that consumers should gain equivalent rights to the Right to Manage to take ownership and control from private companies if they feel those companies are not performing an effective and competitive service.

We would therefore welcome the CMA launching a market investigation reference, and would be happy to assist.

Yours faithfully,

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